



Audit Findings



- Internal Controls
- Non-Compliance
  - Statute
- Uniform Compliance Guidelines

## Findings



- Need for Resolution
- Understand the problem
- Take corrective action – often requires establishing or modifying internal controls.

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## Repeat Findings



- IC 5-11-5-1.5
  - Finding in Report – Take corrective action
    - Level of findings – not all will be reportable
  - Finding is repeated in subsequent Report:
    - Corrective Action Plan filed with SBOA
    - Follow up by SBOA

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## Corrective Action Plan



- Packet will be given at exit conference
- Templates
- 10 days to respond
  - Can ask for more time
- Six months to implement
  - Can ask for more time

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## Corrective Action



- The first step is to fully understand the issue.
- Second step to determine the root cause.

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## Root Cause



- Determine the fundamental reason that caused the non-compliance
- Establish procedures that address that root cause.

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## Corrective Action Plan



- Template on website
- Description of the corrective action
- Timeline for implementation
- Focus on root cause, not on effect.

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## Corrective Action Plan



- SBOA review and approval
- Report when implementation is complete.
- SBOA follow up
  - Send in documents
  - On site follow up

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# INTERNAL CONTROLS



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## Internal Controls



- Addressing Internal Controls is an ongoing process

- Establish policies (in writing)
- Modify as needed over time

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## Five Components



- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring

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## Resources



- Contact Lori or Ricci
- State Board of Accounts website
  - Internal Control Manual
  - Uniform Compliance Guidelines
  - Best Practices (to be expanded)